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TRADE AND DEVELOPMENT BOARD

GENERALIZED SYSTEM OF PREFERENCES

Scheme of Australia

Amendment

In a communication dated 12 August 1993 (TD/B/GSP/AUSTRALIA/17 of 1 September 1993), "The Australian Government notified changes to the Australian System of Tariff Preferences (ASTP) for developing countries, whereby tariff preferences on a range of specified products would be gradually removed for those countries.

"The Australian Government has now decided to reduce or phase out developing country preferences on all remaining sectors.

"For all ASTP beneficiaries - except for UN designated least developed countries and South Pacific Island Territories - the developing country (DC) preference for each item affected will remain at the current level until the General Tariff rate reaches or is reduced below that level, from which time the General Tariff will apply. However, no existing DC rate will be increased. On some products, the rate of developing countries will be below the general rate. For example,

- where general rates have already reached 5 per cent or are less than this (i.e. where the tariffs for developing countries are "free"), the existing DC preferences will be retained;

- where DC rates have already declined below 5 per cent but have not reached "free", they will be frozen at those levels;

- the 5 percentage point margin will also continue to apply for the present where no tariff phasing is currently taking place (sugar, tobacco, PMV replacement parts). The DC preference will be phased out for these products if general tariff reductions are undertaken at some time in the future.

"These changes will start to come into effect as of the next scheduled reduction in General Tariff Rates on 1 July 1994."